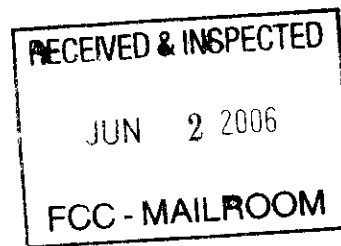


June 1, 2006

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554



**Re: Implementation of the Pay Telephone Reclassification and  
Compensation Provisions of the Telecommunications Act of 1996, CC  
Docket No. 96-128**

Dear Ms. Dortch:

Attached please find Tex-Link Communications, Inc.'s independent systems compliance report prepared by our independent auditor GSAssociates, LLC which Tex-Link is required to submit to the FCC per the requirements of 47 C.F.R. Section 64.1310, as discussed in the FCC Report and Order released on October 3, 2003 in the above docket.

Please let me know if you have any questions. I can be contacted at 210-892-4100.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Katinka Howell'.

Katinka Howell  
Tex-Link Communications, Inc.  
3201 Cherry Ridge Drive, Suite D400  
San Antonio, Texas 78230  
210-892-4100

No. of Pages 0  
List ABOVE

RECEIVED & INSPECTED

JUN 2 2006

FCC - MAILROOM

**GSA** Associates

An EHC Company

Business Partners & Certified Public Accountants

Telephone (678) 527-2155

Fax (770) 889-5799

[www.gsassociatesinc.com](http://www.gsassociatesinc.com)

# ***TexLink***

***BUSINESS COMMUNICATIONS***

Independent Auditor's System Report  
For Payphone Compensation  
As required by FCC Order 03-235  
Docket No. 96-128

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1200 Old Alpharetta Road  
Alpharetta, GA 30005

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# **Independent Auditor's Report**

## **System Audit Report**

Board of Directors  
Texlink Corporation

We have examined Texlink Corporations call tracking systems for payphone calls in compliance with FCC Order 03-235, Docket No 96-128, for the period Q4 2005. Management is responsible for Texlink Corporation's compliance with those requirements. Our responsibility is to express an opinion on Texlink Corporation compliance based on our examination.

Our examination included procedures to obtain reasonable assurance about whether the controls included in our audit were suitably designed to achieve the control objectives namely that Texlink Corporation's call tracking system accurately tracks payphone calls to completion and that Texlink Corporation satisfactorily complied with and applied these controls and such controls will be placed in operation consistently in the future.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Texlink Corporations compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Telrite Corporations compliance with specified requirements.

In our opinion, Texlink Corporation complied, in all material respects, with the aforementioned requirements for the period mentioned through December 31, 2005. Texlink Corporation has sufficient controls in place to provide reasonable assurance to achieve the control objectives namely that Texlink Corporations call tracking system accurately tracks payphone calls to completion.

The description of policies & procedures concerning PAYPHONE COMPENSATION at Texlink Corporation as of December 31, 2005, as well as information concerning tests of the operating effectiveness and payments made includes the period of Q4 2005. Future projection of such information is subject to the inherent risk that, because of change, the description may no longer portray those procedures in existence. The potential effectiveness of specific controls at Texlink Corporation is subject to inherent limitations and, accordingly, errors or fraud may occur and not be detected. Furthermore, the projection of any conclusions, based on our findings, to future periods is subject to the risk that, (1) changes made to the system or controls, (2) changes in processing requirements, or (3) changes required because of the passage of time may alter the validity of such conclusions.

This report is intended solely for the information and use of Texlink Corporation, and is not intended to be and should not be used by anyone other than the specified party.

GSAssociates  
April 28, 2006

## **Overview of System Audit Requirements**

This System Audit Report covers FCC Order (03-235, Docket No 96-128), effective July 1, 2004, requiring Interexchange Carriers (IXC's), LEC's, CLEC's and Switch Based Resellers et. al. Carriers, to establish and maintain a comprehensive Call Tracking System (CTS) which accurately reports and compensates Payphone Service Providers (PSP's).

The Order calls for an independent third party audit report in conformity with AICPA standards. The independent auditor's report shall conclude whether the CARRIER complied, in all material respects, with the factors set forth (below) regarding the CTS as follows:

- 1) Whether the CARRIER's procedures accurately reflect the Commission's rules, including the attestation reporting requirements.
- 2) Whether the CARRIER has a person or persons responsible for tracking, compensating, and resolving disputes concerning payphone completed calls.
- 3) Whether the CARRIER has effective data monitoring procedures.
- 4) Whether the CARRIER adheres to established protocols to ensure that any software, personnel, or any other network changes do not adversely affect its payphone call tracking ability.
- 5) Whether the CARRIER has created a compensable payphone call file by matching call detail records against payphone identifiers.
- 6) Whether the CARRIER has procedures to incorporate call data into required reports.
- 7) Whether the CARRIER has implemented procedures and controls needed to resolve disputes.
- 8) Whether the independent third-party auditor can test all critical controls and procedures to verify that errors are insubstantial, and
- 9) Whether the CARRIER's have adequate and effective business rules for implementing and paying payphone compensation.

## **Audit Process & Procedures**

Our audit reports on the first five (5) of the nine (9) points listed in the order. The guidelines used to conduct and prepare the report are established in the AICPA's Statements on Standards for Attestation Engagements (SSAE), specifically, SSAE 10, AT Section 101 *Attest Engagements* and AT Section 601 *Compliance Attestation*.

Those standards required that we:

- 1) Have adequate technical training and proficiency in the attest function.
- 2) Perform the attest function using practitioners having adequate knowledge of the subject matter.
- 3) Evaluate the subject matter against suitable criteria such as:
  - a) *Objectivity* – free of bias
  - b) *Measurability* – reasonable consistent measurements, qualitative or quantitative, of subject matter.
  - c) *Completeness* – sufficiently complete so that relevant factors that would alter a conclusion about subject matter are not omitted.
  - d) *Relevance* – criteria relevant to the subject matter.
- 4) Maintain an Independence mental attitude in all matters relating to the engagement.
- 5) Exercise Due professional care in the planning and performance of the engagement.
- 6) Obtain sufficient evidence to provide reasonable basis for our conclusion expressed in the report.

Because Texlink has engaged a clearinghouse for processing compensation for the PSP's, factors six (6) through nine (9) of the Order are subject to the AICPA's Statement on Auditing Standards (SAS) 70 – Reports on Processing of Transactions by Service Organizations. The clearing house is required to engage an auditor to issue a compliant report regarding the remaining four (4) factors of the Order. That report is included herein and is hereby made part of our report.

### ***PAYPHONE COMPENSATION Policies & Procedures***

Texlink has established and documented policies & procedures specifically in compliance with the Dial Around Compensation FCC order. These include, but are not limited to:

1. Backup Policy
2. Core Security / Critical Data Requirements Policy
3. Defect Tracking Process
4. Software Quality Testing Process
5. Change Control Policy
6. Host / Server Security Policy
7. Password Policy
8. Log Tracking & Archive Process
9. Physical Security Policy
10. Information Access Control Policy
11. Monitoring Policy
12. Firewall Policy

### ***Responsible Dedicated Staff***

Texlink has dedicated staff responsible for tracking, compensating, reporting and resolving disputes concerning completed calls as follows:

1. Mark Gregory, Director Information Technology is responsible for drafting necessary business requirements.
2. The Director Information Technology, Mark Gregory, is responsible for developing & maintaining systems to create payphone call records from switch records.
3. The Director Information Technology, Mark Gregory, is responsible for implementing & maintaining procedures that check the validity of identified payphone records.
4. The Director Information Technology, Mark Gregory, is responsible for implementing & maintaining procedures that create final compensation data sets.
5. The Director Information Technology, Mark Gregory, is responsible for developing compensation tracking reports.
6. The Director Information Technology Mark Gregory is responsible for dispute resolutions.

### ***Data Monitoring Procedures***

Texlink has developed a systematic reporting process to generate monthly and quarterly reports on payphone call counts, PSP identities, numbers called, and info digits used.

These reports reflect:

- a) Trends of switch traffic volumes entering their payphone compensation systems.
- b) Possible fraud on potential illegitimate payphone calls.
- c) Trends of excluded calls.
- d) The capability to develop customized reports to help resolve disputes.
- e) Capacity for other appropriate trending reports.

### ***Compensation Assurance Protocols***

Texlink has established procedures which guarantee that the company will remain in compliance with current FCC requirements. These procedures ensure that software, personnel, or any other network changes or additions to the payphone compensation process are done in accordance with guidelines and approvals documented in aforementioned procedure section and do not adversely affect its call tracking capabilities.

### ***Compensable Call File and Reporting***

Texlink Corporation pulls all data directly from Carrier and Company CDR and prepares online reports for utilization in the compensation process. GSASSOCIATES determined that this file contained all the necessary data to perform the ANI match and to prepare detailed reports for compensation to each separate PSP or Aggregator.

### ***Dispute Resolution Procedures***

Texlink has assigned their Systems Administrator, Mark Gregory, as the individual responsible for processing payments to PSP's and aggregators and for managing the in house payphone compensation system.



## **Compensation Verification**

### ***BCI Review***

GSAssociates has determined that Texlink has properly compensated PSP's through the fourth quarter of 2005. Observations

## **Audit Conclusions**

### ***FCC Relevant Rules Accurately Stated***

Texlink Corporation has established, defined, and documented in accordance with relevant FCC Rules each of the following:

- Per-call rate.
- Per-phone requirements.
- Calls included as compensable calls
- Definition of completed call.
- Reporting requirements.
- Late payments per IRS overpayment rate.
- Data Storage Requirements.

### ***Established Security Protocols***

Texlink Corporation has implemented security protocols to limit access to call tracking systems in a controlled environment to authorized personnel.

Monitoring tracking systems have been installed to limit access to the company's call tracking system.

Access to compensation systems is controlled and monitored as well as limited to authorized personnel through security measures which have been implemented.

### ***Audit Findings***

GSAssociates audited and validated payments made for Q4 of 2005. The Company is in compliance for the period audited and compensation has been appropriately made to the PSP's or aggregators for the period.